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JUN 2 0 2006

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

No. CR 06-0193 CW

Plaintiff,

REPORT AND RECOMMENDATION RE CCEPTING GUILTY PLEA

v. JOSEPH SABEH,

Defendant.

On June 20, 2006, pursuant to an order of reference from District Judge Wilken and a stipulation signed in open court by the parties, I conducted the Rule 11 proceedings in this matter. Based on the responses by the defendant and his counsel to my inquiries, I am fully satisfied that it is appropriate to accept the defendant's plea of guilty, on the terms set forth in the Rule 11(c)(1)(C) plea agreement, to the first count in the pending information. I so RECOMMEND.

Fully apprised of the circumstances, the parties have elected to leave one term of the proposed disposition open and subject to determination by the District Court. That one term is whether a fine should be imposed (separate from the special assessment and the restitution) and, if so, in what amount. The defendant understands that the prosecution has reserved its right to recommend a fine in any amount up to

the limit permitted by the applicable statute (\$250,000). The defendant further understands that it is the District Judge who will decide, in her sole discretion, whether a fine should be imposed and, if so, in what amount. The parties agree that if District Judge Wilken accepts the plea agreement, all other terms of the proposed disposition would be binding on them and on the court – regardless of what the government recommends and what Judge Wilken decides to do about a fine.

IT IS SO REPORTED AND RECOMMENDED.

Dated: 6-20-06

United States Magistrate Judge

Copies to: CW, All parties, WDB, Stats